



Tourism & Events Department
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MEMORANDUM

To: Chairwoman Sherry Henry
Members of the Tourism Development Commission

From: Karen Churchard, Tourism & Events Director

Date: November 10, 2021

Subject: FY 2022/23 Tourism Development Fund Operating Budget Request

The Tourism & Events Department's (TED) has begun its FY 2022/23 Operating Budget process that includes the General Fund and Tourism Development Fund budgets. Staff will review initial plans and suggestions with the Tourism Development Commission (TDC) for the FY 2022/23 Tourism Development Fund budget at the November 16 TDC meeting.

Initial In and Out-of-Budget requests must be entered into the city's BUD-S system by EOB Monday, December 20, which is the day before the TDC's next scheduled meeting. Additionally, I anticipate an updated forecast for FY 2021/22 Bed Tax Revenues from the Treasurer's Office in late December or early January 2022 that may also adjust future years' forecast revenues. As part of the 5-Year adopted budget forecast, FY 2022/23 bed tax revenues are estimated at \$22,870,600.

Initial budget considerations include:

- Administrative - Budget will be 4% of the Bed Tax revenues. Requesting 1 FTE reclassification and either 1 FTE Event Coordinator or 1 PTE Intern. May request increase for Research budget.
- Canal Convergence and Scottsdazzle - Recommending continued funding of \$750,000 and \$400,000 respectively.
- Event Development Funding – Budget will be 9% of the Bed Tax revenues. May remain tight with a final payment to the Arizona Super Bowl Host Committee of \$303,100 in FY 2022/23.

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- Old Town Advertising - Likely will request an increase as carryover funds from CARES Act will be expended in FY 2021/22.
 - 19th Hole Event – Staff is in the beginning stages of creating a new outdoor event to be called “19th Hole” near/within the Entertainment District to be held Thursday, February 9 – Sunday, February 12, 2023. If approved and funded, the event will have cost recovery but also require an initial cost to plan and create.
 - Super Bowl events/activities - Likely won’t add this to the budget request but I’m hopeful the city will participate in a sanctioned Arizona Super Bowl Host Committee/NFL event or create one to be held at Civic Center. Once staff knows more about ASBHC/NFL plans, we will come to TDC with a request for consideration and recommendation for council.
 - Scottsdale’s Museum of the West – Contract provides for annual \$400,000 matching grant from Bed Tax. For FY 2021/22, the council approved a one-time \$250,000 payment from Bed Tax to assist with covering ongoing operational costs. Annually, SMOw may request additional operational funding. I anticipate they will make a request, which will be an out-of-budget package requiring council approval.
 - Entertainment District – Staff is presenting a report to Council in December to review and vet various areas of concern within the Entertainment District and seek direction from Council. Anticipate that Council may direct some funding assistance from the city through Bed Tax.

Following the discussion with the TDC at its November meeting, I plan to update the TDC at its December and January 2022 meetings and review budget requests and any changes to the Bed Tax forecast revenues.